Saskatchewan
Tourism and
Small Business

MARKET OPPORTUNITY STUDY
CANDLE LAKE RESORT

March, 1984

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I. INTRODUCTION

This study has been carried out by Deloitte Haskins & Sells Associates for Saskatchewan Tourism & Small Business. Both Saskatchewan Parks & Renewable Resources and Saskatchewan Tourism & Small Business have identified potential opportunities for a resort at Candle Lake. The primary objective of the study is to identify and quantify the market for this type of development.

The terms of reference provided for the study are:

1. examination of existing tourism/recreation developments within and adjacent to Candle Lake;

2. identification and quantification of the resource base and resource constraints;

3. identification with quantification of current market demands and future market trends for Candle Lake and surrounding areas;

4. identification of market segments, size and origin of potential users for these proposed commercial facilities;

5. identification of the preferred location for these commercial developments in broad terms only and the rationale supporting this location; and

6. recommendations on the short-term and long-term scope of development in general terms relative to current and future markets.

The specific requirements for the market opportunity study for a resort in Candle Lake included the following:

1. to identify the current demand for existing fixed roof accommodation/food service in terms of excess capacity or under utilized capacity;

2. to identify specific market segments and the size of those segments for the proposed new facilities;

3. to identify the factors that will influence these market segments in the short-term and long-term;

4. to recommend, based on market analysis, resources, and seasonality, the types and mix of facilities to meet initial and future demand;

5. based on the above analysis, to recommend a preferred location for these commercial facilities; and

6. to identify the resource base and resource constraints based on existing data available.

The study has been divided into the following sections:

1. background information on the Candle Lake area (physical and social characteristics, and existing tourist facilities and services);

2. characteristics of the tourism market affecting Saskatchewan, the Woodland Park Travel Region* (in which Candle Lake is located), and Candle Lake;

3. analysis of the present supply of tourist facilities and activities in the Candle Lake area;

4. a description of the potential market for new facilities at Candle Lake; and

5. conclusions and recommendations as to the types and mix of facilities which might be considered as part of a Candle Lake resort development, and their general location.

We appreciate the assistance and co-operation of the staff of the two departments.

*It is noted that while the tourist regions are no longer used in Saskatchewan for planning and promotion purposes, historical statistics of relevance to this study were kept on a regional basis.

II. BACKGROUND INFORMATION ON THE CANDLE LAKE AREA

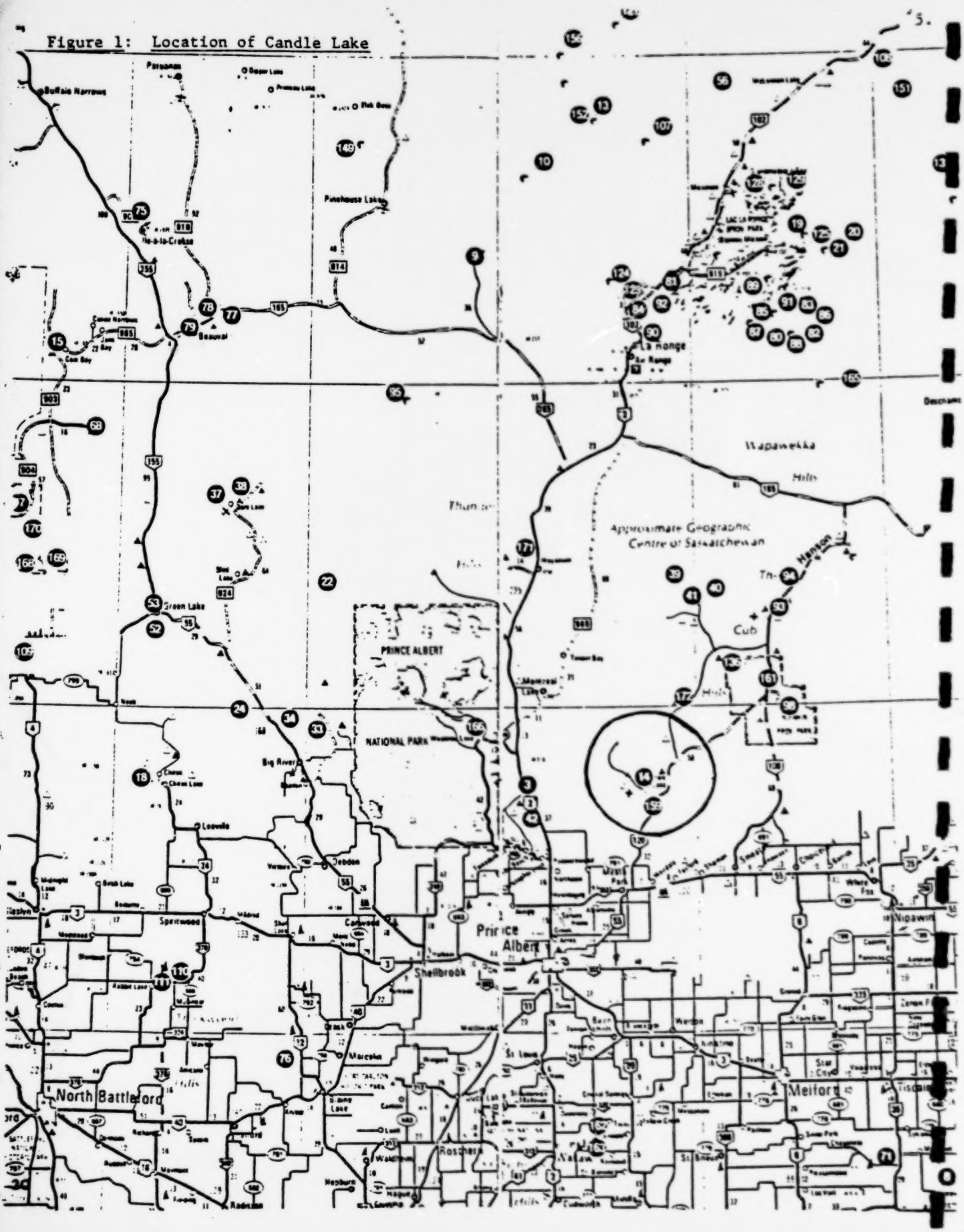
A. Physical Characteristics

Candle Lake is located in northcentral Saskatchewan, approximately 100 km. north east of Prince Albert (see Figure 1). It is the fourth largest Saskatchewan lake outside northern Saskatchewan (after Lake Diefenbaker and Tobin and Last Mountain Lakes). It is classified as a medium-sized lake, with a total surface area of approximately 32,700 acres, and a total shoreline length of approximately 60 km. The lake's quality is rated as medium to high; its water is clear, and the lake's wave action is generally well below its maximum level of 1.5 m. Winds in the area are predominantly from the north and northwest. Because the lake is fed by several springs, and because of its size, Candle Lake's water termperature is generally lower than that of smaller lakes in the area.

Spring runoff causes fluctuations in lake levels; because Candle Lake is fed by spring and streams, and has only the Torch River as a major outlet, the lake's level is usually raised during wet seasons. Neither the lake's water temperature, nor changes in its level, have affected its growing use for summer tourism and recreation. The long-term lake level is stable.

The lake is characterized by several shallow beach areas and medium offshore depths (less than 17 m.). Beaches are sandy and silty, with

Figure 1: Location of Candle Lake



an average grade of 3 to 6%, and little rock outcropping. The lake's total shoreline has been categorized as:

sandy:	17%
potentially sandy:	58%
not sandy:	25%

Ten major natural sandy beaches, from 300 m. to 1,980 m. in length, have been identified.

The terrain around Candle Lake, which is located in the Wapawekka Hills, shows slight general relief, a rolling topography, with morainic deposits and light undulations around the lake. Beaches are sand and light loam, and backshore areas are predominantly loam. Drainage around the lake is generally good, except in low-lying areas. Altitude around the lake varies between 494 m. and 577 m. above sea level.

Candle Lake is within the Northern Coniferous Vegetation Zone. The area around the lake is characterized as mixed-wood forest; dominant trees are aspen, black poplar, white spruce, birch, willow and shrubs. Jackpine and balsam fir occur sporadically. Poorly drained and swampy areas are less densely treed. No agricultural activity takes place in proximity to Candle Lake. Commercial forestry operations do not impact on the immediate shoreline and backshore area.

Wildlife in the Candle Lake area is characterized by a diverse and abundant bird population, because of numerous productive nesting and breeding areas around the lake; migratory birds are also found. Mammal populuations have fallen in the past ten years. Moose, white-tailed deer, woodland caribou and elk are found in the area.

Overfishing on the lake caused reduced fish populations in the 1970's although sportsfishing is still popular. Restrictions on fishing activity, particularly on Fisher Creek (which drains Torch Lake into Candle Lake), has increased fish populations in recent years. Torch Lake is the spawning area for Candle Lake. Pike and walleye are the dominant fish species. Spring streams and the north shore of the lake have been identified as good fishing areas. There is no commercial fishing on Candle Lake. It is expected that restrictions on fishing on Fisher Creek will continue for several years.

The climate of the Candle Lake area is characterized by short, relatively warm summers and long, cold winters. Average annual precipitation is moderately low (less than 40 cm.), with approximately 30% falling as snow. The area's growing season normally extends from the end of April to the end of September. There are, on average, between 90 and 100 frost-free days. July is usually the warmest month, with a mean monthly temperature of 18.6°C. June averages 15.4°C. and August, 17.2°C. Mean monthly temperatures from December

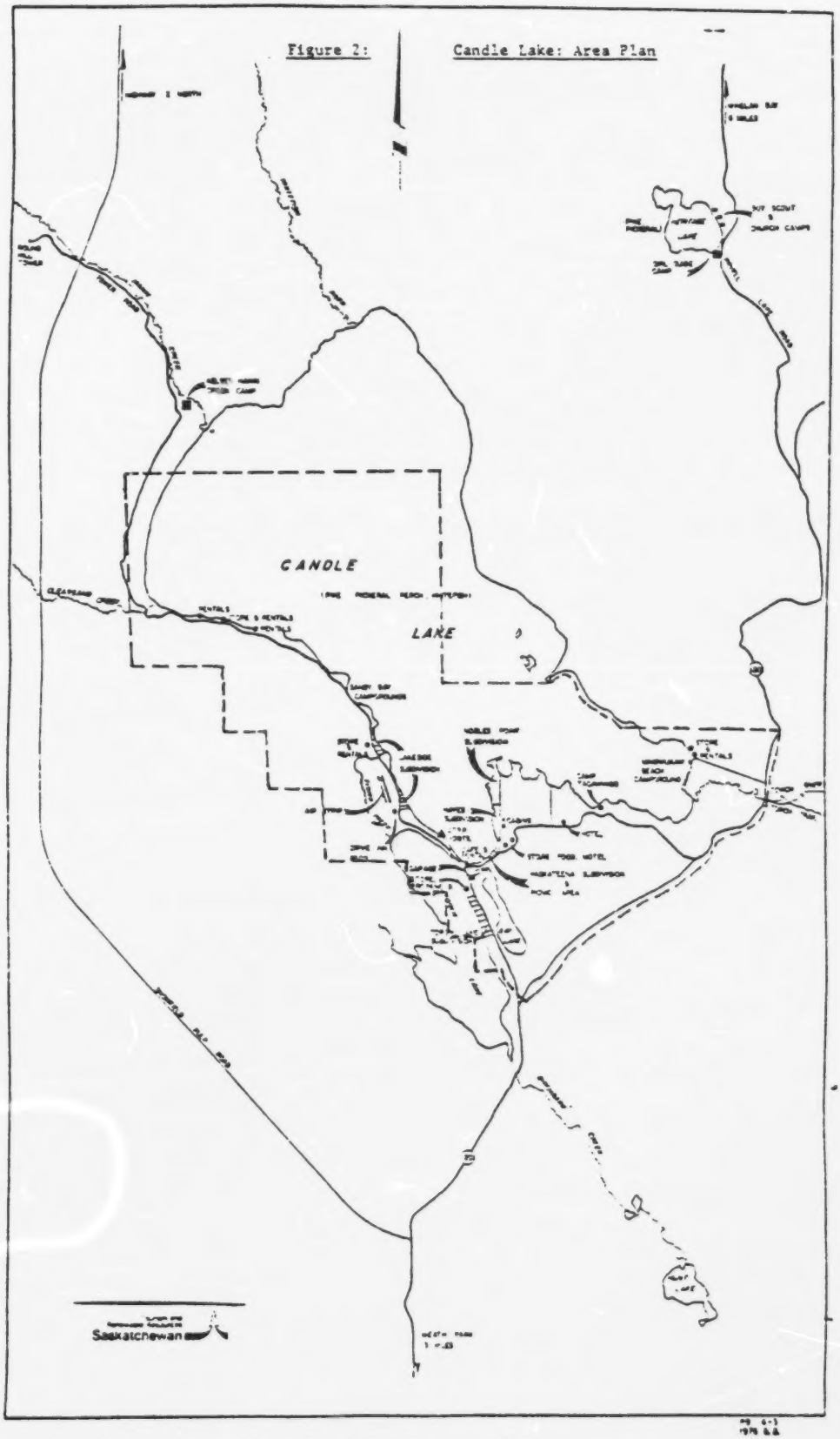
through February are all below -15°C. The average first occurrence of ice in the Prince Albert area is November 6, and of freeze-over, November 15. Complete breakup occurs between April 10 and May 6. While June, July and August together average 26 rainy days, they are also the months with the greatest numbers of sunshine hours. In winter, the month of December averages 20 days of no recorded sunshine. Because of mature forest cover in the Candle Lake area, the effects of winds are less than in more exposed areas in southern Saskatchewan.

B. Social Characteristics

Candle Lake, most of whose human settlement area is located in the Resort Village of Candle Lake, is located in the Rural Municipality of Paddockwood #520, whose population is approximately 1,600.

Virtually all of the approximately 950 cottages, and the area's commercial and institutional facilities, are found within the boundaries of the Resort Village. Figure 2 is an area plan of Candle Lake; Figure 3 shows the Minowukaw Beach area, on the lake's southeast shore. Table 1 shows an inventory of tourist facilities and services at Candle Lake. The year-round population of Candle Lake has increased steadily, and is now estimated at approximately 250 (an increase of 25% in 3 years).

Figure 2: Candle Lake: Area Plan



------ boundary line of Candle Lake Resort Village

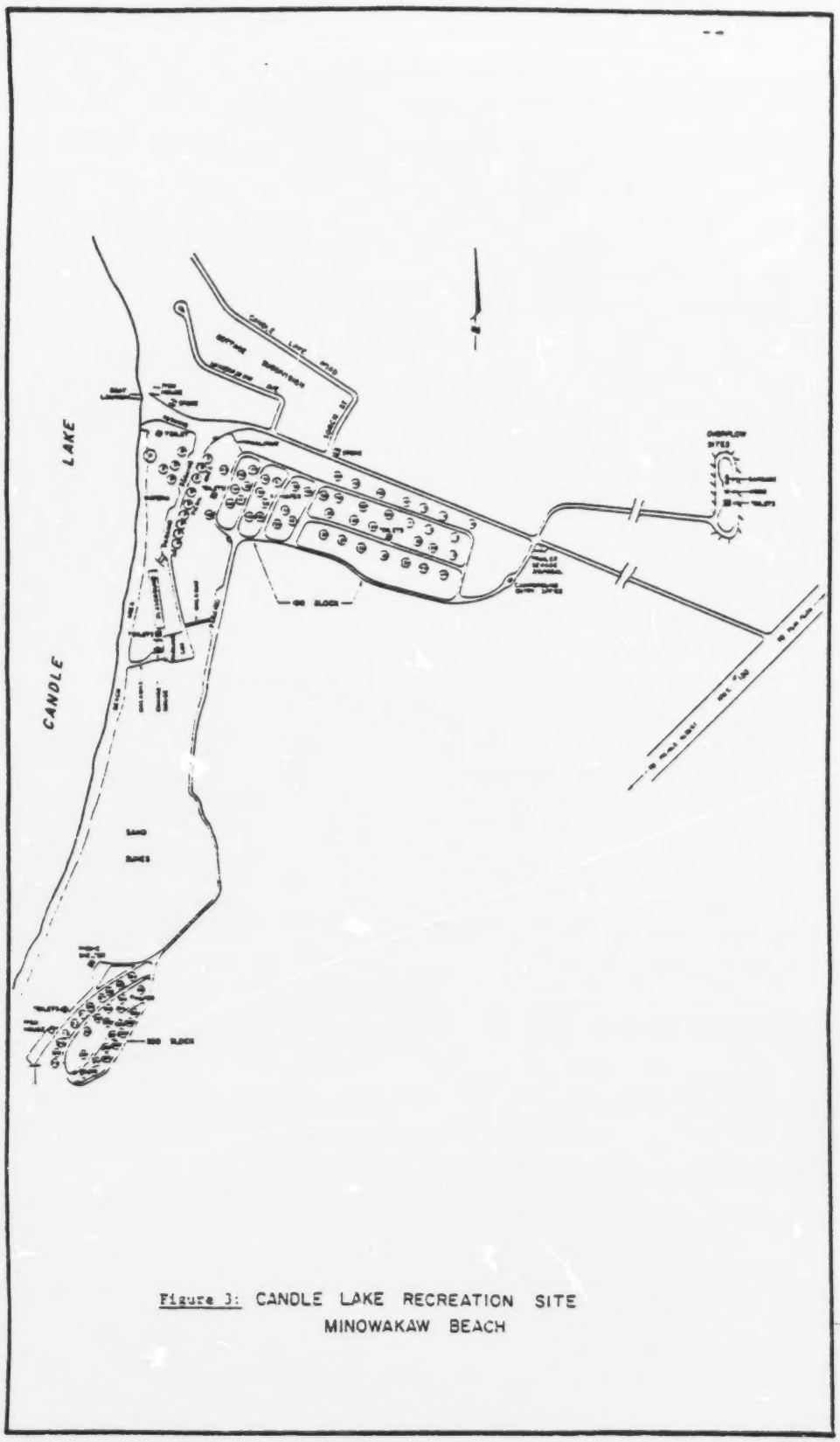


Figure 3: CANDLE LAKE RECREATION SITE
MINOWAKAW BEACH

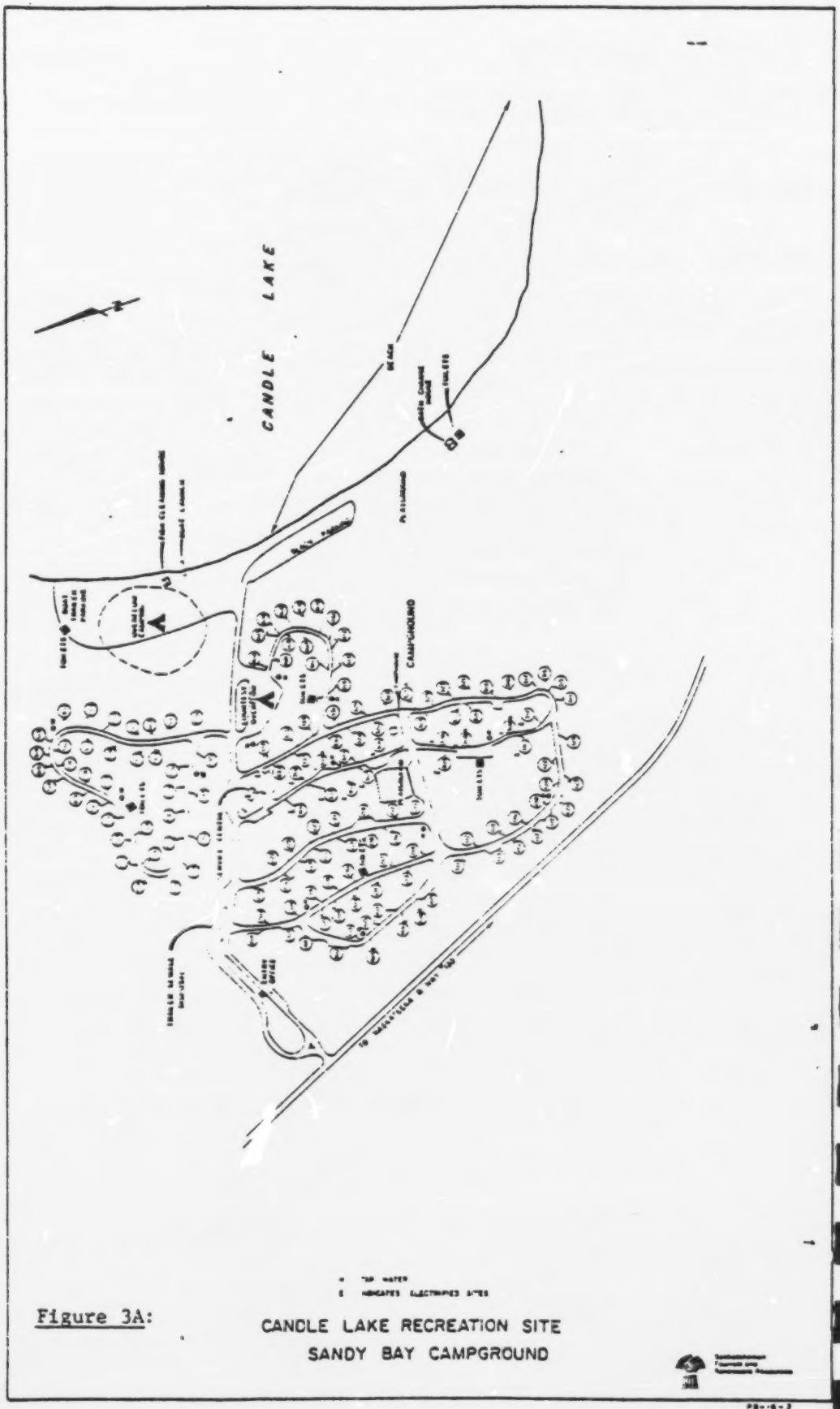


Figure 3A:

CANDLE LAKE RECREATION SITE
SANDY BAY CAMPGROUND

Table 1: Tourist Facilities and Services, Candle Lake

1. Overnight Accommodations

   a. Ship's Lantern*: 8 rooms (maximum 30 persons)
   b. Snow Castle*: 6 rooms plus 1 cabin (maximum 25)
   c. Joe's Cabins: 12 cabins
   d. Holiday Acres*: 10 rooms plus 2 cabins (maximum 35)

   * open year-round

2. Campgrounds (overflow sites excluded)

   a. Sandy Bay: 14 electrified sites, 122 non-electrified
   b. Minowukaw: 77 non-electrified sites
   c. Private trailer park: 30 sites (electrified)

3. Other Facilities

   a. Holiday Acres: store, laundromat, liquor vendor
   b. Restaurant in Ship's Lantern
   c. 2 fast-food restaurants in Summer

4. Cottage Subdivisions

   a. West Shore: Torch Townsite
      Island View
      Hanson's Beach
      Lakeview
      Onachasis
      Birchview
      Telewyn
      Clearsands
      Beskal's

   b. South & East Shores: Holiday Acres
      Noble's Point
      Pequenaut's
      Glendale
      Minowukaw
      Waskateena

5. Other

   a. Church camps
   b. Air strip (west shore)
   c. Nine-hole golf course (privately owned)
   d. Marina operated by the Ship's Lantern

Source: Saskatchewan Parks & Renewable Resources

Saskatchewan Parks & Renewable Resources has designated Candle Lake as a recreation site, and operates camping and recreation facilities at Sandy Bay, Waskateena, and Noble's Point.

The first cottage subdivision, Waskateena Beach, was established in 1947. In 1959, the Minowukaw Beach area opened to cottage development. Rapid growth in cottage development, commercial facilities and services, and overall recreation use of the lake, occurred in the 1970's following electrification of the area. The Resort Village was incorporated in 1977, and annexed surrounding areas in 1979. Candle Lake can now be classed as a mature residential and commercial development.

No significant historical events or cultural attractions have been identified as having potential for enhancing the tourism potential of Candle Lake. Asham's Homestead Nature Park, located south of Candle Lake, is a nature reserve, including various types of trees, operated by the Saskatchewan Forestry Association. It attracts tourists and school groups during the summer.

III. MARKET CHARACTERISTICS

A. Saskatchewan

The Province of Saskatchewan has traditionally found it difficult to effectively promote a strong awareness of the Province as a tourist destination for other Canadians, Americans and even residents of Saskatchewan. Despite the relative strength of the Saskatchewan economy since the early 1970's, the high levels of personal disposable income of Saskatchewan residents (see Table 20, point 7), the mobility of Saskatchewan's adult population and the large volumes of non-residents travelling into and through Saskatchewan, Saskatchewan's tourism industry, and the economic impact of tourism, have generally lagged behind other sectors of the provincial economy.

Further, because of the recession, increased travel costs (particularly gasoline) and foreign exchange fluctuations, long-distance automobile travel in North America has shown flat growth in recent years. For example, travel by Americans to Canada has not grown since 1981, despite the favourable exchange rate Americans enjoy here (see the American Express World Tourism Overview, 1983).

Table 2 highlights findings of a 1982 survey of Saskatchewan residents and other Canadians travelling in Saskatchewan. The survey showed that:

1. while travel by non-residents fluctuates seasonally, it remains low as a percentage of total travel, even during summer months;

2. almost 50% of non-resident travel is for the purpose of visiting friends and relatives (V.F.R.);

3. a high percentage of non-residents are just passing through Saskatchewan; and

4. the Candle Lake area, located on the edge of the Woodland Park Region and Northern Saskatchewan, has the potential to attract more than 20% of Saskatchewan and non-resident travellers.

A recent survey of residents of Ontario and three American states in proximity to Saskatchewan (see Table 3) shows that Saskatchewan has been, and is likely to continue to be, a relatively low-priority tourist destination, except for tourists oriented heavily to outdoor recreation, expecially fishing and hunting.

Table 2 (page 1 of 2):

Highlights of Survey of Statistics on Travel within Saskatchewan, 1982, for Saskatchewan Residents and Non-Saskatchewan Resident Canadians

1. Saskatchewan residents took 85% of person-trips within Saskatchewan; the quarterly percentages of person-trips by non-residents were:

January - March:	11.8%
April - June:	14.0
July - September:	18.6
October - December:	14.0
Weighted Annual Average:	15.0%

2. The identified purposes of trips within Saskatchewan by non-residents were:

Business:	17.4%
Visiting friends/relatives:	48.2
pleasure and personal:	34.3
not stated:	0.1
	100.0%

3. The Woodland Park Region was the second most popular destination after Saskatoon, attracting 20.5% of Saskatchewan residents, and 21.2% of non-residents; Northern Saskatchewan was the destination for only 2.2% and 0.9%, respectively.

4. Nearly 40% of person-trips were for day purposes or "pass-through" reasons.

5. The seasonality of travel within Northern Saskatchewan holds strong for both Saskatchewan residents and non-residents:

	Person-Trips within Northern Saskatchewan			
	Saskatchewan Residents	% of Total	Non-Residents	% of Total
January - March:	8,000	6.2%	-	-
April - June:	36,000	28.1	5,000	55.6
July - September:	66,000	51.6	4,000	44.4
October - December:	18,000	14.1	-	-
	128,000	100.0%	9,000	100.0%

Table 2 (page 2 of 2):

6. The purposes of travel identified by travellers in Northern Saskatchewan were as follows:

	Saskatchewan Residents			Non-Residents		
	Business	Visiting Friends/ Relatives	Pleasure/ Personal	Busi- ness	Visiting Friends/ Relatives	Pleasure/ Personal
January - March:	-	1,000	7,000	-	-	-
April - June:	15,000	2,000	19,000	-	3,000	2,000
July - September:	4,000	4,000	58,000	-	-	4,000
October - December:	-	2,000	6,000	-	-	-
Total:	19,000	9,000	90,000	-	3,000	6,000

7. Travel expenditures in northern Saskatchewan were as follows:

Saskatchewan residents:	$12,469,000	(79.9%)
Non-residents:	3,130,000	(20.1%)
Total:	$15,599,000	(100.0%)

8. More than 54% of all Saskatchewan resident person-trips in Northern Saskatchewan were 150 to 400 km. from home; for non-resident trips, 67% were at least 800 km. from home.

Source: Saskatchewan Tourism & Small Business

Table 3:

Highlights of the Survey of Vacation Habits of Travelers in Ontario, Montana, North Dakota and Minnesota

Major implications for marketing/promotion of tourist attractions/ facilities in Saskatchewan:

a) 40% of persons surveyed take one pleasure trip per year; 35% take two or more.
b) 62% of visitors to Saskatchewan come in the summer, and decide on destination in May/June (ie. - best time for advertising/ promotion).
c) 75% of persons surveyed have travelled in Canada in the last three years (but only 1/10 visited Saskatchewan)
d) main characteristics of visitors to Saskatchewan:
    - main activities (in order): sightseeing; fishing/camping/ hiking; and visiting friends/family (around 25% of visitors surveyed are keyed on boating/camping/fishing)
    - most spend fewer than three nights in Saskatchewan
    - most stay in hotels/motels
    - most come by car
    - most visit Saskatchewan in Spring and fall
    - 80% come without children under 18
    - largest market from cities of 50,000 - 100,000
    - North Dakota and Minnesota visitors are more outdoors-oriented than Montana visitors, and come in larger parties (5 or 6, versus 2)
e) main characteristics of travelers surveyed in general:
    - 25% travel alone
    - North Dakota and Minnesota people emphasized visiting family/ friends
    - people from big cities take more pleasure trips than people in smaller cities
    - 60% use travel agents, especially upper income ($30,000+), big city people and Ontario travellers
    - only 20% intend to visit Saskatchewan in the next two years (40% of those who have already visited Saskatchewan plan to do so again in the next two years). Saskatchewan was a lower-priority destination than other states and provinces
    - inducements mentioned to influence them to visit Saskatchewan were:
        - fishing/hunting trips
        - special air fares
        - specific information/brochures
    - ideas on where to travel come from:
        - family/friends (60%)
        - newspapers (25%)
        - magazines (fewer than 20%)
    - destinations in Saskatchewan recognized were:
        - Regina and Saskatoon: 81% each
        - Prince Albert National Park: 42%
        - Churchill River: 42%
        - others: much lower recognition

Source: Saskatchewan Tourism and Small Business (survey by Mid-Continent Research Inc., October, 1983)

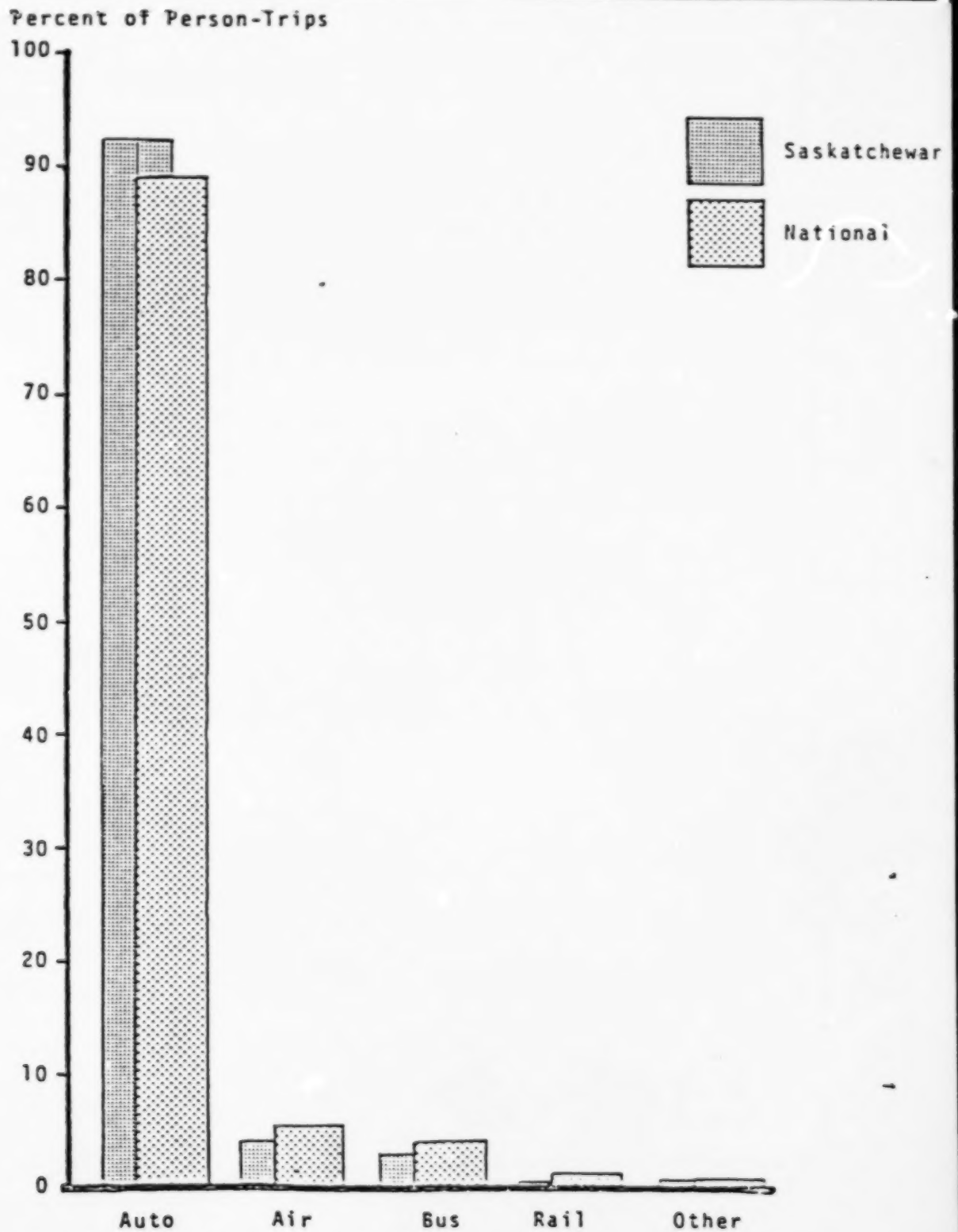
Figures 4, 5, 6 and 7 show findings of the 1980 Canadian Travel Survey with respect to comparisons of modes of travel, accommodations used, and seasonality of travel between travellers in Saskatchewan and those in Canada as a whole. The heavy reliance on auto travel in Saskatchewan is a positive factor for a resort development at Candle Lake, while high V.F.R. related accommodation use impacts negatively on Saskatchewan's hotel/motel industry. It is noted that seasonality of demand for different types of accommodation in the Province does not differ greatly between pleasure travellers and travellers as a whole.

On the positive side, however, Saskatchewan residents remain a highly mobile population, in view of the high, and steadily increasing, ratio of motor vehicles registered per capita. Approximately 87% of vehicles registered in the Province are suitable to personal travel, including tourism and recreation (see Tables 4 and 5).

Recent tourist surveys, the relative health of the Saskatchewan economy, and low gasoline prices in relation to other provinces, suggest that the Saskatchewan population should be considered as the key and basic market for a potential resort at Candle Lake.

Figure 4:

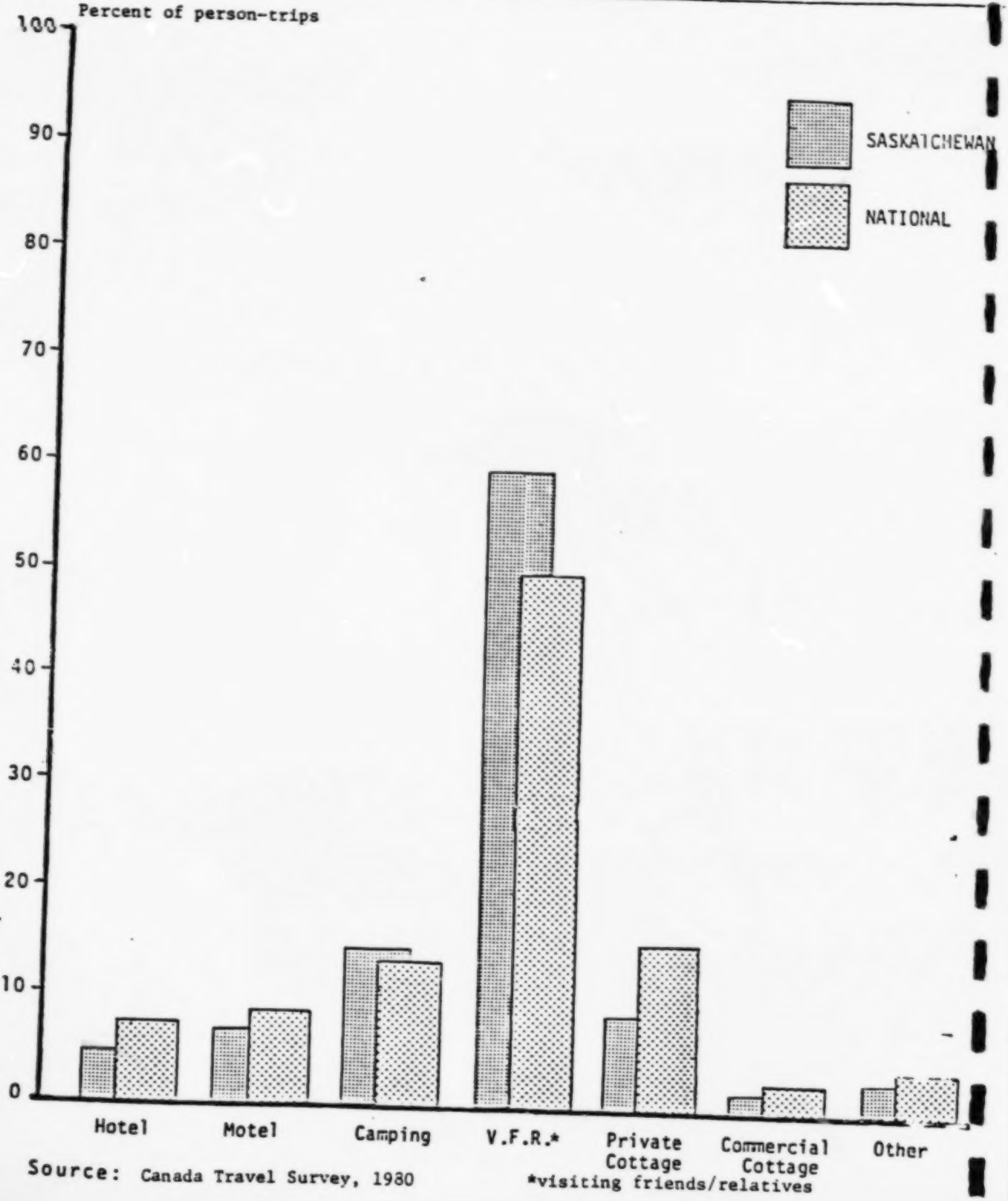
COMPARATIVE ANNUAL VIEW OF TRAVEL BY MODE



Source: Canada Travel Survey, 1980

Figure 5:

COMPARATIVE ANNUAL VIEW OF TRAVEL BY ACCOMMODATION



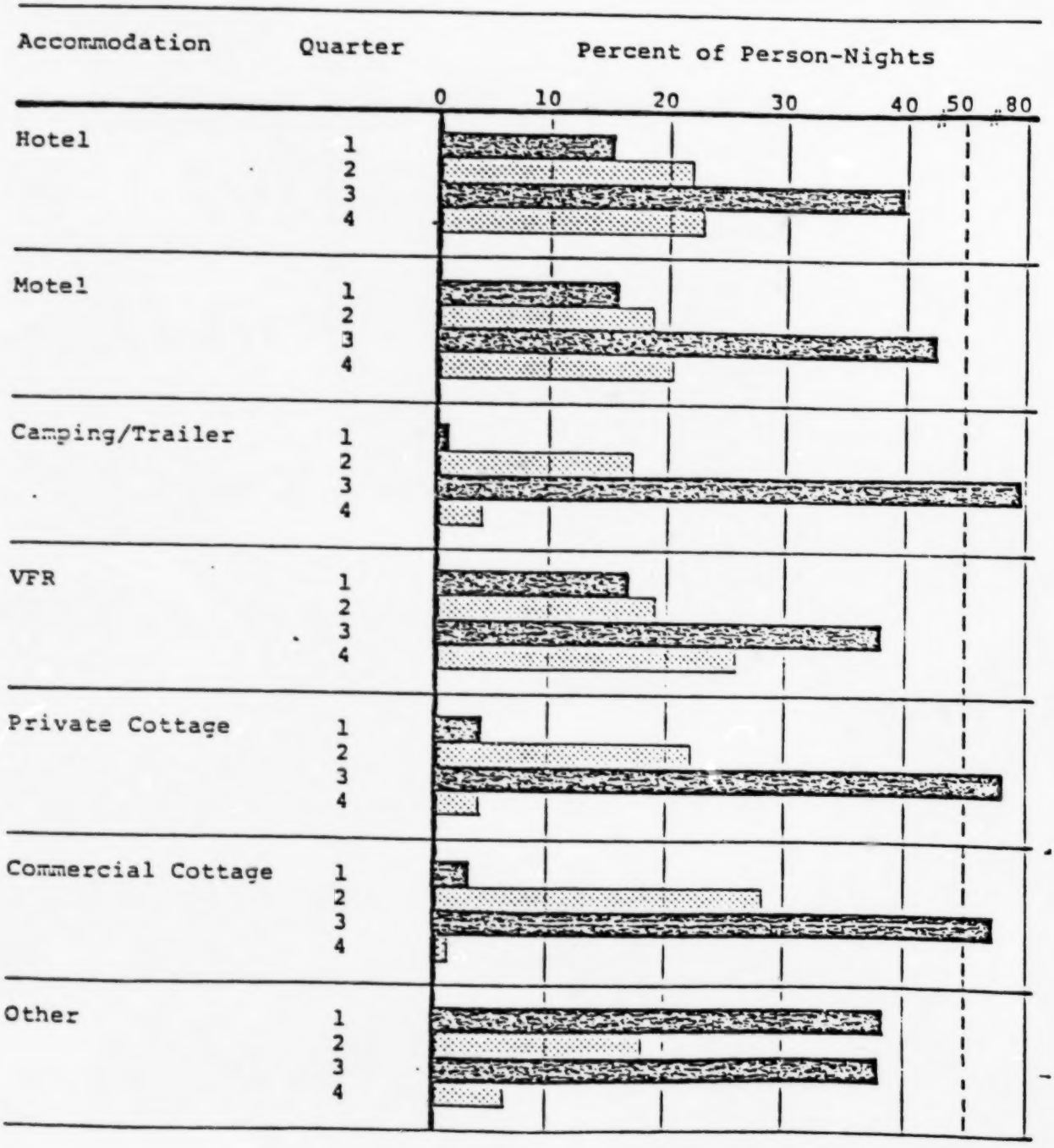
Source: Canada Travel Survey, 1980

*visiting friends/relatives

DESTINATION: SASKATCHEWAN ALL PURPOSES --

Figure 6:

SEASONAL VARIATIONS IN TRAVEL BY ACCOMMODATION

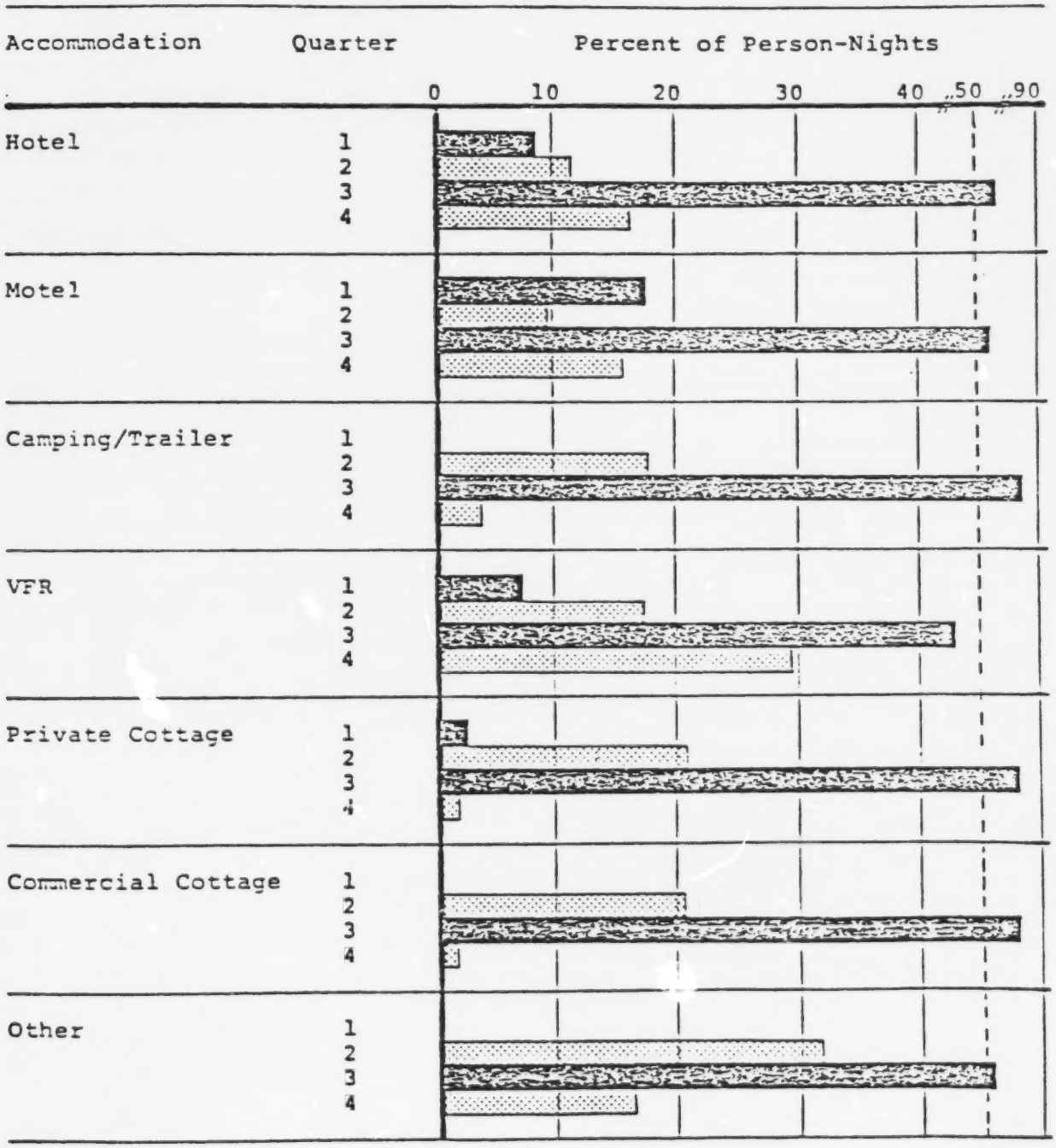


Source: Canada Travel Survey, 1980

DESTINATION: SASKATCHEWAN PURPOSE: PLEASURE --

Figure 7:

SEASONAL VARIATIONS IN TRAVEL BY ACCOMMODATION



Source: Canada Travel Survey, 1980

Table 4:

Saskatchewan Motor Vehicle Registration and Population

YEAR	PASSENGER CARS AND ½ TONS	TOTAL	PERCENT CHANGE PASSENGER CARS	PERCENT CHANGE TOTAL	POPULATION AT JUNE 1ST X 1,000	POPULATION PERCENT CHANGE	NUMBER OF PERSONS PER VEHICLE REGISTERED
1960	214,205	335,148	-	-	915.0	-	2.73
1961	229,319	349,817	7.1	4.4	925.2	1.1	2.64
1962	243,394	327,219	6.1	6.4	930.0	0.5	2.50
1963	251,255	382,190	3.2	2.7	933.0	0.3	2.44
1964	261,236	396,472	4.0	3.8	942.0	1.0	2.37
1965	274,780	418,606	5.2	5.5	950.0	0.9	2.27
1966	283,501	438,558	3.2	4.8	955.4	0.6	2.18
1967	293,392	454,262	3.5	3.6	957.0	0.2	2.11
1968	298,958	464,017	1.9	2.2	960.0	0.3	2.07
1969	294,339	472,363	1.5	1.8	958.0	-0.2	2.03
1970	294,269	464,405	-0.02	1.7	941.0	-1.8	2.03
1971	288,990	464,924	-1.8	0.1	926.2	-1.6	1.99
1972	305,680	496,214	5.8	6.7	914.0	-1.3	1.84
1973	319,947	523,557	4.7	5.5	904.5	-1.0	1.73
1974	345,751	568,918	8.1	8.7	899.7	-0.5	1.58
1975	367,624	613,269	6.3	7.8	907.4	0.9	1.48
1976	392,227	653,408	6.7	6.6	921.3	1.5	1.41
1977	444,781	670,638	N/A	N/A	934.6	1.4	1.39
1978	407,574	621,770	N/A	N/A	943.5	1.0	1.52
1979	429,243	624,478	5.3	0.4	952.5	1.0	1.53
1980	460,428	677,680	7.3	8.5	961.1	0.9	1.42
1981	470,617	690,776	2.2	1.9	968.3	0.7	1.40
1982	466,871	684,358	-0.8	-0.9	981.4	1.4	1.43
1983	-	698,000	-	2.0	1,000.0	1.9	1.43

SOURCE: Saskatchewan Department of Highways and Transportation

Table 5:

Estimated 1982 Travel on Provincial Highway System by Type of Vehicle and Place of Registration

ITEM	% OF TOTAL HIGHWAY TRAVEL
TYPE OF VEHICLE	
Passenger Cars and Pickups:	
- Standard[1]	60.0
- Pickups[2]	27.0
Commercial Vehicles:	
- Type 2	3.7
- Type 3	1.3
- Type 3-S2	6.1
- Other	1.9
TOTAL	100.0
PLACE OF REGISTRATION	
Saskatchewan	85.0
Other	15.0
TOTAL	100.0

[1]Includes all passenger cars

[2]Includes all panels and light trucks with single wheels on rear axle

[3]Includes recreation vehicles

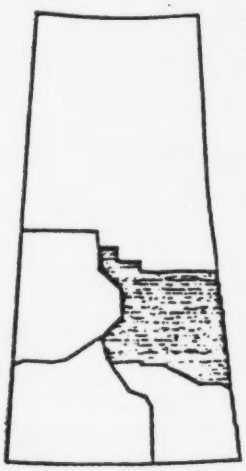
SOURCE: Saskatchewan Department of Highways and Transportation

B. Woodland Park Travel Region

As shown in Figure 8, Candle Lake is located on the northern edge of the Woodland Park Travel Region. While this Region is highly differentiated as to physical character, tourism facilities and activities offered, and development potential, relevant tourism industry statistics have been compiled on a regional basis. Table 6 highlights the findings of the 1982 Canadian Travel Survey, which reflect observations and findings of the surveys mentioned above. This table also indicates, in terms of the number of person-trips (a measure used in the tourism and hospitality industries) and dollars spent, the scale of potential annual market from which a resort at Candle Lake would attempt to draw. It is noted that the tourist component of total travel within this region is higher than that of the Province as a whole.

The principal roads in the Region in terms of volume of tourist traffic are the Yellowhead Highway (#16) and Highway #2 from Prince Albert north to Prince Albert National Park. In Table 7, the findings of a 1978 survey of non-resident travellers on the Yellowhead Route are highlighted. Nearly half of those surveyed intended to spend one night or less in the Province. Only 20% planned to visit the region during their trip. These findings indicate that there is a substantial potential market for overnight

Figure 8:



Woodland Park Travel Region

In Woodland Park, you'll be astounded by the vastness and variety of sights and sounds. From the many fascinating parks to the towns and cities flavoured with ea European culture, you'll find this part of Saskatchewan unforgettable. Fishing de Festivals. And celebrations all summer long. Join your friends in Woodland Par For the beauty of it all.

Regional Attractions

- Western Development Museum - Yorkton
- Doukhobour Heritage Village - Veregin
- St. Mary's Ukrainian Catholic Church - Yorkton
- Squaw Rapids Power Station
- Touchwood Hills Historic Park
- Thomas Sattersby Wildlife Protected Area
- Wildcat Hills Wilderness Area

Table 6:

Woodland Park Region - 1982

Canadian Traveller Survey

I. NUMBER OF PERSON TRIPS

PERIOD	SASKATCHEWAN RESIDENTS	NON-SASKATCHEWAN RESIDENTS	TOTAL
January - March	169,000	22,000	191,000
April - June	289,000	46,000	335,000
July - September	446,000	78,000	524,000
October - December	268,000	66,000	334,000
Total	1,172,000	212,000	1,384,000
	84.7%	15.3%	100.0%

Of the non-Saskatchewan resident person trips, approximately 48% were from Manitoba.

II. PURPOSE OF TRIP

PURPOSE	SASKATCHEWAN RESIDENTS %	NON-SASKATCHEWAN RESIDENTS %	TOTAL %
Business	17.2	12.3	16.4
Visit friends/relatives	35.4	53.3	38.1
Pleasure/personal	47.4	34.4	45.5
Total	100.0	100.0	100.0

For Saskatchewan residents, business trips were spread out evenly over the year; whereas, 69% of the non-resident business trips occurred in the last quarter. Over 60% of the other reasons for travelling occurred in the last half of the year for both categories of travellers.

Travel expenditures to the Region totalled $112,421,000. Saskatchewan expenditures were $64,212,000; Alberta resident expenditures were $10,259,000; and Manitoba resident expenditures were $7,663,000.

Table 7:

Highlights of the 1978 Yellowhead Route Non-Resident Tourist Profile

1. Principal originals of non-residents:
   - Manitoba (32%)
   - Alberta (31%)
   - Ontario (14%)
   - British Columbia (10%)
   - United States (9%)

2. Implications for hotels and motels:

   a. average party size: 2.8

   b. nights spent/planned to spend in Saskatchewan (all non-residents surveyed):

      0 nights - 16%
      1 night - 29%
      2 nights - 19%
      3 nights - 6%

   c. 71% of U.S. tourists surveyed spent/planned to spend 1 night or less in Saskatchewan

   d. Manitoba and Alberta tourists were most likely to spend more than 1 night in Saskatchewan, despite proximity to home

   e. type of accommodation used/planned to use:

      friend/relative - 35%
      hotels/motels - 33%
      campgrounds - 17%

   f. activities planned in Saskatchewan (all non-residents):

      fishing - 5.8%
      boating - 5.2%
      canoeing - 3.2%

   g. only 33% had Saskatchewan as their destination; only 1/5 planned to visit woodland park area as their destination (especially tourists from Ontario, Alberta and British Columbia).

Source: Saskatchewan Tourism & Small Business

or short-duration visits within the region already, a market not now being served.

It is questionable whether a Candle Lake destination resort could attract a significant portion of the "pass-through" traffic within the region, given its distance from the Yellowhead Route. However, even a very small rate of diversion of this traffic toward more northern tourist areas could have a significant impact on the Candle Lake area, particularly in conjunction with the Prince Albert - Waskesiu axis and the Hanson Lake road, which runs from Nipawin Provincial Park to Flin Flon, Manitoba.

While Candle Lake is officially located within the Woodland Park Region, its potential as a tourist destination is best considered in view of its location relative to resort areas north of Prince Albert and close to the southern end of the Hanson Lake Road.

IV. SUPPLY AND DEMAND ANALYSIS

A. Existing Accommodations

Table 8 summarizes the existing base of hotels, motels, campgrounds, cabins and resorts/outfitters in the Candle Lake area. The immediate (0 to 50 km.) radius around Candle Lake is especially relevant in view of the fact that demand for overnight accommodation is composed of two main segments: off-road travellers and travellers who have chosen a particular destination. The potential demand by off-road travellers for overnight accommodation is, of course, heavily influenced by the number of rooms, cabins, campsites, etc. in the immediate area. The table shows that within 50 km. of Candle Lake, the number of first-class rooms is limited. It is further noted that hotel/motel accommodations between 50 and 100 km. from Candle Lake are heavily concentrated in Prince Albert and Waskesiu. The table also shows that the area around Candle Lake is already well-developed in terms of campgrounds and rental cabins.

Table 8:

Hotels, Motels, Campgrounds, Cabins and Resorts/Outfitters in the Candle Lake Area

	Number of Hotels/Motels	Number of Rooms
1. Hotels/Motels: [1.]		
a. 0 - 50 km. radius*	3	40
b. 50 - 100 km. radius**	14	810
	Number of Locations	**Number of Sites**
2. Campgrounds: [2., 3.]		
a. 0 - 50 km. radius:	17	610
b. 50 - 100 km. radius:	11	910
	Number of Locations	**Number of "Units"**
3. Cabins/Resorts/Outfitters: [3.]		
a. 0 - 50 km. radius:	12	140
b. 50 - 100 km. radius:	9	250

Notes: * - includes Candle Lake, Torch Lake, Whiteswan Lake, East Trout Lake, Montreal Lake/River, Nipawin Provincial Park, White Gull Lake, Christopher Lake, Emma Lake, Anglin Lake, Tweedsmuir Lake, Smeaton.

** - includes Prince Albert National Park, Tobin Lake, Big Sandy Lake, Weyakwin Lake, Prince Albert.

1. Only hotel/motel rooms of modern and high classifications are included.

2. Overflow campground sites are excluded, where possible.

3. Regional parks are excluded.

Sources:
1. Saskatchewan Tourism & Small Business
2. Northern Saskatchewan Outfitters' Association, 1983 Directory

Available statistics on monthly hotel/motel occupancy rates in the Woodland Park Region for 1981 and 1982 are provided in Table 9. They should be considered in conjunction with the following tables:

Table 10: statistics on seasonality of visits to Prince Albert National Park and campground occupancy rates;

Table 11: estimated monthly occupancy rates of hotel/motel accommodations in the Park;

Table 12: visitor statistics for selected Saskatchewan Government-managed tourist facilities; and

Table 13: monthly occupancy rates of year-round accommodations in Saskatchewan provincial parks.

The statistics in Table 13 should be considered in view of the fact that in 1980, the proportion of non-Saskatchewan travellers using rental cabins at three provincial parks was:

Duck Mountain: 22% (of which 2/3 were from Manitoba)

Cypress Hills: 22% (of which 2/3 were from Alberta)

Greenwater: 8%

These figures suggest that the closer that accommodations are located to the centre of the province, the higher the proportion of Saskatchewan residents using them.

Table 9:

Saskatchewan Occupancy Monitoring Program - Woodland Park Region

Data on Hotel/Motel Occupancy Rates (and Relative Use by Saskatchewan Residents)

per Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1981: Occupancy Rate (%):	46.6	51.2	54.2	58.7	50.3	60.7	70.4	67.3	61.4	65.0	53.5	40.5
% Sask. Residents:	-	-	-	-	-	-	77.5	68.9	72.0	86.4	83.0	82.0
1982: Occupancy Rate (%):	38.1	54.0	52.5	55.7	47.1	56.1	59.1	57.8	49.5	53.3	45.7	32.9
% Sask. Residents:	85.9	84.4	87.5	81.4	74.5	68.4	57.6	58.4	65.0	69.8	72.1	75.5

Year Totals:

	1981	1982
Occupancy Rate (%):	56.7	50.1
% Saskatchewan Residents:	82.9	70.9

Note: 1. motels/hotels surveyed had fewer than 125 rooms
2. motels/hotels surveyed had modern (Class 4 or 5) classification
3. statistics showed between 1.2 and 1.7 guests per room.

Source: Saskatchewan Tourism & Small Business

Table 10:

Statistics on Visitors to, and Activities in, Prince Albert National Park

1. Seasonal Distribution of Visitors:

	1980	1981	1982
January:	5,324	7,738	4,738
February:	6,327	7,106	6,072
March:	7,281	10,539	5,439
April:	10,764	11,292	7,973
May:	14,207	24,828	18,452
June:	34,451	41,703	41,179
July:	56,176	64,845	62,657
August:	48,690	54,250	43,873
September:	11,478	20,032	15,847
October:	16,701	10,940	15,120
November:	8,822	9,142	7,719
December:	7,062	7,419	7,356
Total	227,283	269,834	236,425

2. Campground Occupancy Rates, 1983:

	Percentage of Sites Occupied (w.d.-weekdays; w.e.-weekends)											
	May		June		July		August		September		Total	
	w.d.	w.e.	w.d.	w.e.	w.d.	w.e.	w.d.	w.e.	w.d.	w.e.	w.d.	w.e.
The Narrows:	8	45	26	57	145	139	56	79	13	56	66	85
Beaver Glen:	3	32	28	37	100	99	63	66	4	24	53	62
Waskesiu Townsite:	10	24	38	51	100	100	76	75	16	44	61	68
Namekus Lake:	10	83	20	41	99	94	42	56	3	6	39	53
Sandy Lake:	10	48	18	44	57	81	23	48	3	10	24	47

Source: Parks Canada

Table 11:

Estimated Occupancy Rates of Accommodations at Prince Albert National Park, Selected Months, 1983

	May	June	July	August	September
Accommodation A:	30%	50%	100%	80%	40%
Accommodation B:	30	50	100	80	40
Accommodation C:	30	50	100	80	40
Accommodation D:	20	40	100	80	40
Accommodation E:	10	50	100	75	50
Accommodation F:	30	50	100	100	75
Accommodation G:	30	50	100	100	75
Estimated Weighted Average:	30%	50%	100%	90%	55%

Source: Deloitte Haskins & Sells Associates Field Interviews

Table 12: (page 1 of 2)

Highlights of Saskatchewan Government - Operated Facility Visitor Statistics, 1980

1. Camping Permits Issued and Camper Days:

	Permits Issued	Camper Days	Permit Days
Provincial Parks:	104,964	735,918	192,112
Recreation Sites:	29,460	194,014	52,667
Campgrounds:	26,222	86,597	28,170
Total:	160,646	1,016,529	272,949

2. Origin of Campers in Selected Provincial Parks (percentage Saskatchewan Residents):

Buffalo Pound:	81%
Cypress Hills:	61
Duck Mountain:	64
Echo Valley:	87
Good Spirit Lake:	86
Greenwater:	90
Meadow Lake:	54
Pike Lake:	89
The Battlefords:	78

3. Seasonal Average Occupancy Rates in Selected Provincial Parks (Non-Modern and Modern Cabins):

Duck Mountain (May to August): 72%
Greenwater (May to August): 69
Moose Mountain (May to August): 75

4. Visitors to Candle Lake Recreation Sites:

Vehicles Entering: 89,083
Visitors Entering: 356,332
Share of Provincial Total: 17.1% (second in province)

Table 12 (page 2 of 2): --

5. Camping Permits Issued and Camper Days, Selected Recreation Sites:

	Permits Issued	Camper Days	Permit Days
Candle Lake (Sandy Bay & Minowukaw Beach):	6,323	43,269	11,483
Emma Lake (Murray Point):	4,086	27,256	7,263
Nisbet:	2,963	12,517	4,082
Candle Lake Share of Saskatchewan Total:	21.5%	22.3%	21.8%

6. Visitors to Selected Campgrounds:

	Vehicles Entering	Visitors Entering	Share of Saskatchewan Total
Nisbet:	15,329	61,316	14.7%
Squaw Rapids:	20,993	83,972	20.1%
Weyakwin Lake:	4,179	16,716	4.0%

Source: Saskatchewan Parks & Renewable Resources

Table 13:

Monthly Occupancy Rates of Year-Round Accommodations in Saskatchewan Provincial Parks, 1982

	Greenwater (5 units)	Duck Mountain (10 units)	Cypress Hills (10 Units)
January:	42%	15%	32%
February:	70	25	54
March:	43	29	44
April:	26	12	32
May:	42	25	24
June:	85	56	52
July:	97	98	92
August:	93	88	76
September:	65	51	70
October:	62	39	49
November:	37	28	23
December:	54	43	36

Note: 1. Estimated occupancy rate on Friday/Saturday nights in winter months is 80 - 90%, and 15 - 60% on Sunday to Thursday.

2. Some reduced operations in winter and months affect occupancy rates.

Source: Saskatchewan Parks & Renewable Resources

We will address the conclusions which we have derived from these statistics in Section VI.

We are informed that the occupancy rates at the three existing year-round accommodation facilities at Candle Lake, the Snow Castle, the Ship's Lantern and Holiday Acres are very high in June, July and August; low in September, October and November; very high on weekends in December, January and February; low, but improving, on weekdays during these months; and low from March through May. We have defined "very high" as more than 90%; "low", as 30 to 40%; and "very low", as 20 to 25%. We have not confirmed these estimates through direct interviews with the three operators.

B. Planned Accommodations

Recreational developments to include overnight accommodation have been announced at McPhee Lake and Christopher Lake, both south of Prince Albert National Park. Neither development has proceeded past the stage of receiving regulatory approvals. In addition, several development proposals have been made to Parks Canada involving new or expanded hotel/motel/cabin facilities within the Park. We are aware of no new hotel or motel projects within the City of Prince Albert.

Should the announced and proposed developments proceed, we estimate that between 150 and 200 first-class rooms would be added to the inventory within a 50 to 100-km. radius of Candle Lake in the next five to ten years.

C. Fishing and Hunting

Existing resource studies on the Candle Lake area show that opportunities for expanded sportfishing and hunting in the area are restricted by the available resource. Reduced big-game populations have caused reduced hunting activity in the immediate area. However, hunting activity remains strong to the north and east of Candle Lake, areas easily accessible from Candle Lake. Some resort/outfitting operations along the southern portion of the Hanson Lake Road, for

example, have stayed open later the past two years (into late October) in order to accommodate hunters. The hunting seasons for the Candle Lake area are shown in Table 14.

Saskatchewan Parks & Renewable Resources considers that restrictions on fishing on Candle Lake have succeeded in improving depleted fish populations, although the fishery resource of Candle Lake can accommodate only a limited amount of additional fishing activity.

D. Existing Events/Attractions in the Candle Lake Area

Table 14 shows the major tourism and recreation-related events and activities in the Candle Lake area. It is noted that no year-round program of organized events is now in place to attract tourists to Candle Lake. Recommendations in this regard will be discussed in Section V.

The area is characterized by significant growth in both the supply of, and demand for, winter sports and recreation facilities and activities. Candle Lake is now an established winter sports/ recreation centre, as evidenced by the information shown in Table 15 and the fact that three accommodation centres are now open year-round at Candle Lake.

Table 14:

Candle Lake Area - Events/Activities with Potential Impact on Marketing a Candle Lake Resort

1. Candle Lake - Sask 100 Snowmobile Race (end of January)

2. Candle Lake - organized cross-country ski tours during winter months

3. Prince Albert - Molson Cup Cross-Country Ski Race (second week in February)

4. Prince Albert - Winter Festival (third week in February)

5. Nipawin area - Northern Pike Festival (July 1 to August 15)

6. Hunting seasons in Candle Lake area:

   a) White-tailed deer: - primitive weapons (September 5 to October 15)*
   - all hunters (October 1 to 15)

   b) Elk*: - September 20 to October 1; December 5 to 10

   c) Moose: - October 10 to 15*; November 20 to 25

   d) Woodland Caribou: - November 20 to December 1

   e) Bear: - August 31 to October 15

   * Saskatchewan residents only

Source: Saskatchewan Parks & Renewable Resources

Table 15:

Major Winter Sports Activities/Facilities in the Candle Lake Area

1. Radius of 0 - 50 km. around Candle Lake:

a) Candle Lake: - government-operated cross-country ski trails:
Minowukaw Beach - 18 km.
Bay Lake - 13 km.

- government-operated snowmobile trails: Candle Lake, Torch Lake, and Heritage Lake: 90 km.

- Snow Castle Lodge open year-round, access to trails

- cross-country and snowmobile trails from the Ship's Lantern, plus skating, ice fishing and tobogganing.

b) Whiteswan Lake: - lodge open year-round, with cross-country (10 km.) and snowmobile trails

c) Nipawin Provincial Park: - three cross-country trails (10 km.)
- snowmobile trails

d) Christopher, Emma and Anglin Lakes:
- government-operated cross-country ski trails (Anglin: 15 km.)

2. Radius of 50 - 100 km. around Candle Lake:

a) Adanac Ski Area (1 km. east of Prince Albert) - downhill ski run (25 m. vertical drop; longest run of 150 m.)

b) Prince Albert Ski Club: - 48 km. of cross-country ski trail (5 km. north-east of Prince Albert)
- 2 downhill ski slopes, 3 km. east of Prince Albert

c) Prince Albert National Park: - eight marked cross-country ski trails (89 km.)

d) Wapiti Valley Ski Resort: (120 km southeast of Candle Lake) - downhill

Source: Saskatchewan Tourism & Small Business

A survey of cottagers in Nipawin Provincial Park, to the north of Candle Lake, confirms the growth in winter-based tourism and recreation in the area (see Table 16). Further, Parks and Renewable Resources confirms a significant increase in the number of day-use and weekend visitors to Candle Lake during the winter.

The trend to increased winter use of recreation facilities in Prince Albert National Park, and in the Christopher-Emma-Anglin Lakes area south of the Park, is confirmed by information which we have obtained. This increase is caused by two major factors: increased year-round use by cottagers of what was once essentially a summer destination, and an increase in winter weekend trips to areas in the province such as Cypress Hills and Duck Mountain Provincial Parks, Prince Albert National Park and Candle Lake. These two trends are supportive of each other, because an increase in the number of year-round cottagers in a particular area will enhance the potential winter accommodation market for visiting friends and relatives, especially on weekends and the Thanksgiving, Christmas and Easter holiday seasons.

Table 16: --

Highlights of Survey of Cottages, Nipawin Provincial Park, 1980

1. Number of cottagers that use their cottages between November and April:

Yes:	78%
No:	20%

2. Average length of winter stay by cottagers:

0 days:	27%
1 - 2:	35
3 - 4:	23
5 - 6:	8
7+:	6

3. Average number of winter visits:

0:	31%
1 - 2:	24
3 - 4:	26
5 - 6:	15
7 - 9:	2
10+:	1

4. Ranking of winter activities:

Ice fishing:	58% of cottagers ice fish
Snowmobiling:	41
Cross-country skiing:	36
Hunting:	33

5. Rating of various facilities:

	Adequate	Not Adequate	Not Available	Not Desired	No Answer
Shopping:	87%	2%	-	5%	6%
Beverage Rooms/Lounges:	31	1	7%	53	8
Restaurants:	38	7	20	25	10
Local/Area Prices:	73	12	-	-	15
Boating Facilities:	71	10	3	4	12
Recreation Facilities:	51	15	8	10	16

Source: Department of Parks & Renewable Resources

V. POTENTIAL MARKET FOR A RESORT

A. Trading Area

We are informed that the large majority of present users of overnight accommodations at Candle Lake are from Prince Albert, cities and towns within 150 km. of Candle Lake (including Nipawin and Melfort), and Saskatoon. A surprisingly high and growing number of visitors from southern Saskatchewan, especially Regina, are coming to Candle Lake, especially in the winter. Family and group visits are particularly important to the existing winter market.

Table 17 shows the average business mix of hotels and motels in North America, modified in accordance with industry figures which we have obtained in the past for the Saskatchewan hospitality industry. We submit that a resort at Candle Lake would have great difficulty in achieving the business mix shown. Specifically, it is unlikely to draw 33% of its room sales from government and business travellers, and only through intensive marketing and promotion could it hope to attract a sufficient number of small meetings and conferences in later years. It is probable that a successful campaign in this regard would show significant results after at least two years.

Table 17:

Industry Statistics - All Types of Hotels

	1982 PERCENT
BUSINESS MIX	
Government	5.1
Business	28.2
Tourist	40.6
Conferences	20.6
Other	5.5
Total	100.0
SALES MIX	
Rooms	58.0
Dining	27.0
Lounge	11.0
Other	4.0
Total	100.0
Dining Room Sales per seat occupied per day	$12 - $20
Lounge Sales per seat occupied per day	$ 6 - $10
Average Total Sales per room	$23,222

SOURCE: Deloitte Haskins & Sells Associates files

As mentioned previously, a component of total demand for overnight accommodations is off-road volume. Table 18 indicates average daily traffic volumes in the area; Table 19 provides monthly breakdowns of daily traffic volumes on the Hanson Lake Road north of Candle Lake. The tables suggest that:

1. a good proportion of traffic on Highway #55 is diverted to Candle Lake;
2. a high proportion of this diverted traffic remains in the Candle Lake area; and
3. high fluctuations in traffic volumes on the Hanson Lake Road during summer months indicate a good base of potential tourists who could be attracted to stop at Candle Lake.

The principal locational advantage which Candle Lake possesses with respect to its location in the trading area which it serves is its position at the southern end of the Hanson Lake Road. Otherwise, it is too isolated from principal roads and population centres to draw heavily on existing personal and business travel routes.

Nipawin Provincial Park, located north of Candle Lake and on the Hanson Lake Road, is not itself a major tourist attraction. Statistics show that in July, 1982, for example, only 1.3% of total visits to Saskatchewan provincial parks were to Nipawin Provincial Park. Even assuming more traffic counters, the Park would have attracted only 2 to 3%. However, it should be noted that traffic into the Park increased by 63%, to over 17,500 vehicles, between 1972 and 1982.

Table 18:

Saskatchewan Highway Traffic Volumes in Candle Lake Area, 1978-82

(annual average 24-hour daily traffic for all motor vehicles)

	1978	1979	1980	1981	1982
1. Highway #55 (Prince Albert to Meath Park)					
a. Mid-Point:	1,600	1,750	1,800	1,950	1,900
b. Near Meath Park:	1,090	1,100	1,100	1,200	1,200
2. Highway #120 (Meath Park to Candle Lake):	390	390	390	430	460
3. Highway # 120 north of Candle Lake (to Hansen Lake Road):	160	180	180	210	260

Source: Saskatchewan Highways & Transportation

Table 19:

Average Daily Traffic Volume for Different Months, 1982 on the Hanson Lake Road (North of Candle Lake)

Average Number of Vehicles per Day

	Weekdays	Weekend
May:	72	99
June:	145	147
July:	145	155
August:	114	127
September:	75	87
October:	134	61

Note: During summer months, daily traffic is approximately 35% higher than during other months.

Source: Saskatchewan Highways & Transportation

B. Special Market Opportunities

Two positive trends affecting potential tourism developments in Saskatchewan are the increased interest and participation in fitness and recreation activities, and the increased use of tourism facilities in both urban and park/resort areas for short periods (weekends and holiday periods) on a year-round basis. The latter trend is confirmed in the tables already discussed showing occupancy and visitor statistics at different locations in Saskatchewan.

Table 20 is a summary of key recreation/leisure trends which will have significant impact on the Province's tourism industry. The table shows that:

1. Saskatchewan's population is fitness-conscious;
2. winter activities are growing in popularity, particularly cross-country skiing;
3. sportfishing is an important recreation activity in Saskatchewan; and
4. while Saskatchewan per capita disposable income is high in relation to Americans and other Canadians, there is room for growth in tourism-related expenditures by Saskatchewan residents, of which a substantial portion could be spent in Saskatchewan.

Table 20 (page 1 of 2):

Highlights of Findings Concerning Recreation/Leisure Trends

1.* Saskatchewan Rate of Participation in Specific Activities/Sports Compared to Total Canadian Population (percentage of population):

		Saskatchewan	Canada
Summer:	Golf:	14%	11%
	Swimming:	29	32
	Tennis:	8	13
Winter:	Alpine skiing:	5	7
	Cross-country skiing:	7	8
	Ice skating:	18	17

2.* Saskatchewan Rate of Participation by Ownership of Equipment, 1980 (percentage of population):

Cross-country skis:	20%
Downhill skis:	8
One or both of the above:	23 (an increase of 101% between 1976 and 1980)
Snowmobiles:	20 (an increase of 10%, 1976 - 1980)
Tents:	15
Tent-trailers:	6

3.* Types of Camping Equipment Used in Saskatchewan Provincial Parks, 1980:

Self-propelled vehicles:	25%
Travel trailers:	23
Tent trailers:	39
Tents and other equipment:	13

4.** Nearly 60% of young people do special exercises/activities to keep physically fit; 85% believe fitness is very important.

5.*** Young people (ages 10 to 19) on the Prairies are second only to those from British Columbia with respect to regular physical activity.

6.* Sportfishing in Saskatchewan and Canada, 1980:

	Number of Active Anglers	Average Days per Angler	Average Annual Expenditures Per Angler	
			Equipment[1]	Tourism-Related[2]
Saskatchewan:	3,908,000	15	$304	$237
Canada:	186,000	11	331	231

Note: 1. Equipment expenditures include boating and camping equipment and vehicles.
2. Tourism-related expenditures include package tours, lodging, food, and travel.

Table 20 (page 2 of 2):

7.* Comparison of Saskatchewan Per Capita Personal Disposable Income to Canada and the United States, 1971 and 1980:

	1971	1980
Saskatchewan:	$2,377	$9,819
Canada:	2,779	8,161
Saskatchewan per Capita as % of Canadian:	85%	120%
United States:[1]	$3,640	$9,558
Saskatchewan per Capita as % of U.S.:[1]	65%	103%

Note 1: United States income in Canadian dollars.

8.* Average Expenditure per family on Items Related to Travel, Tourism and Recreation, 1978:

	Saskatchewan	British Columbia	Alberta	Ontario	Total Canada
Average Family Size:	2.84	2.67	2.84	2.93	2.93
Accommodations while Travelling:[1]	$68	$107	$114	$88	$85
Family-Owned Vacation Homes:	17	N/A	21	37	31
Food Consumed While Away Overnight or Longer:	127	156	142	133	123
Package Trips/Tours:	89	100	96	112	99

Note: 1. Accommodations include hotels, motels, tourist homes and campgrounds, and exclude rented vacation homes.

Sources: * Statistics Canada
** Saskatchewan Health
*** Canada Fitness & Amateur Sport

Table 21 highlights the findings of a 1974 survey of tourists in Northern Saskatchewan; we are confident that these findings are still valid. They show that while fishing is their main attraction (and would be for tourists on the Hanson Lake Road, for example), the opportunity for relaxation and "escape" is also very important. Over one-third were seeking some form of fixed-roof accommodation. These findings, we submit, are positive indicators of the potential attraction of Hanson Lake Road travellers to a resort at Candle Lake.

Additional information on the Saskatchewan sportfishing market is shown in Figure 9. While Candle Lake is located in a region of moderate activity (except for Tobin Lake), it is located close to the access route to fishing in the eastern portion of northcentral Saskatchewan.

As mentioned previously, the market for small business meetings and conferences (which we define as ten to thirty persons staying 1 or 2 nights) has potential for a resort at Candle Lake, which could promote the "escape" and family recreation attributes which it could offer. However, intensive and sustained marketing efforts aimed at government agencies, business, professional and community associations, and individual companies will be required, and the results of an effective marketing program, realistically, are likely to be slow to emerge.

Table 21:

Highlights of the Survey of Tourists in Northern Saskatchewan, 1974

1. Major Reasons for Recreating in the North:

Fishing:	65%
Camping:	12
Relaxation:	11
Canoeing:	4

2. Activities/Attractions Associated with a Recreational Fishing Trip:

Relaxation:	18%
"Escape":	12
Catching many fish:	12
Catching big fish:	11
Solitude:	11
Scenery:	10
Fellowship:	9

3. Activities/Attractions Associated with Roadside Campgrounds:

Relaxation:	36%
Scenery:	12
Solitude:	11
Fellowship:	10
"Escape":	10

4. Accommodations Used by Anglers:

Cabins:	31%
Tents:	17
Trailers:	16
Tent Trailer:	13
Campers:	11
Vans:	8
Hotels/motels	3

Note: 48% of anglers surveyed were from the United States, 50% from Saskatchewan.

Source: Department of Northern Saskatchewan

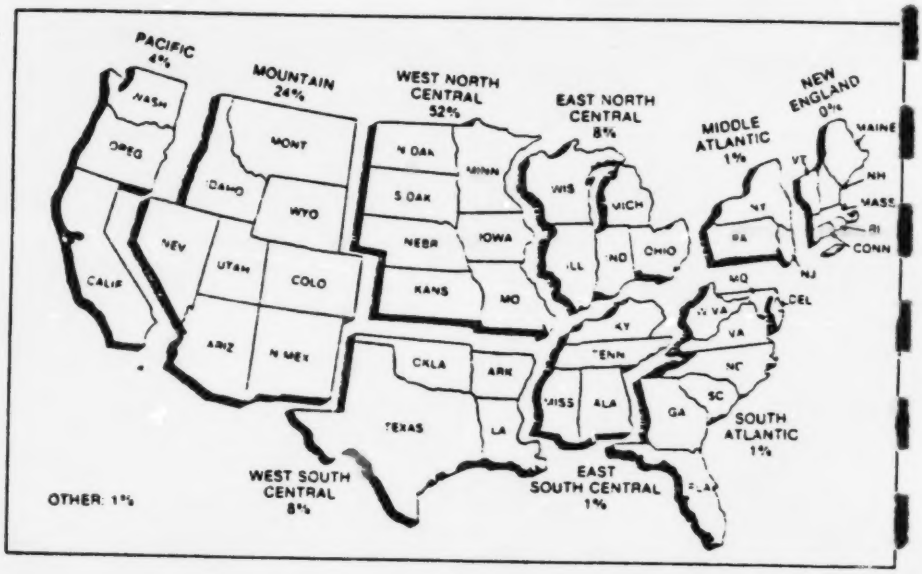
Figure 9: Additional Information on the Saskatchewan Sportfishing Market

Angling in Saskatchewan is a major recreational activity. Anglers fished a total of about 2.1 million days in 1980 (Table 3), or 11.4 days per angler. Resident anglers fished an average of 13.3 days, nonresident Canadians fished 6.1 days, and other nonresidents fished 6.3 days.

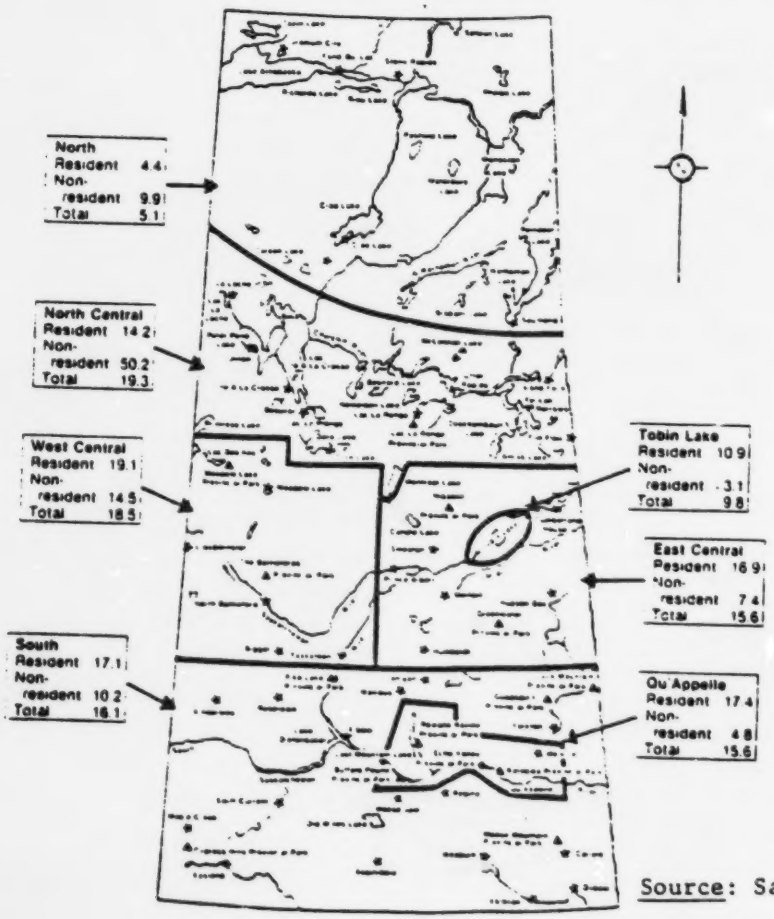
Most fishing occurred during the summer period May through September (Fig. 4). During that time, 84% of resident, 93% of nonresident Canadian, and 97% of other nonresident fishing effort was expended.

The North and North Central areas of Saskatchewan continued to be the prime attraction for nonresident anglers with 60% of their effort occuring there (Fig. 3). As in 1975, most residents fished in the southern half of the province, with over 80% of their fishing activities occurring there.

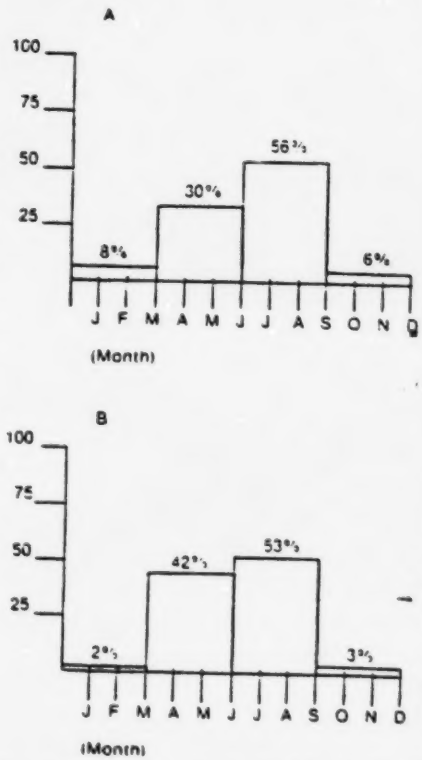
Regional distribution of United States residents who held Saskatchewan angling licences in 1980.



Percentage of angler-days expended by anglers in each fishing area of Saskatchewan in 1980.



(A) Resident angler effort by season.
(B) Nonresident angler effort by season.



Source: Saskatchewan Parks and Renewable Resources

At present, almost all meetings and conferences of this size take place in major urban centres, although a recent increase in off-season business has been achieved at Prince Albert National Park. In addition, tourism and hotel industry people in the larger cities have recognized that the large convention market is, and will probably remain, flat, because of the recession, increased travel, room and food costs, and new technology (such as TV - telephone remote conference hookups). As a result, more attention is being paid to the previously neglected small meeting market by major hotels. Table 22 shows convention statistics for Regina, Saskatoon and Prince Albert.

Another potentially promising market for a resort at Candle Lake, and also requiring sustained marketing/promotion, is bus tour activity, especially from within the Province. Senior citizens, tour groups from outside Saskatchewan (and Canada) and social clubs are increasingly using bus tours. Shoulder-season travel (that is, in the April to June and September to November periods) could have a highly positive impact on year-round occupancy rates. Because the upgrading of the Hanson Lake Road, and development and improvement of accommodation facilities on the road, will continue over the next five years, the Candle Lake - Hanson Lake Road route could attract bus tours in future years, with possible stopovers at Candle Lake in both directions. Table 23 shows the major findings of a 1982 survey of pass-through bus tours.

Table 22:

Statistics on Conventions, Major Saskatchewan Centres

1. Regina: (Conventions contributed approximately $20 million to Regina business in 1982)

	Number of Conventions (Average Attendance)		
	1980	1981	1982
Provincial:	74 (276)	93 (215)	70 (274)
Regional:	25 (303)	18 (186)	41 (279)
National:	28 (335)	22 (231)	48 (244)
International:	3 (750)	2 (550)	6 (383)
Total:	130 (303)	135 (217)	165 (271)
Average Delegate Stay in Regina:	2.5 nights	2.9	3.8

2. Saskatoon:

	Number of Conventions (Average Attendance)		
	1980	1981	1982
Provincial:	-	64	43
Regional:	-	11	19
National:	124	28	38
International:	2	-	11
Total:	126 (341)	103 (380)	111 (404)
Average Delegate Stay in Saskatoon:	3.5 nights	3.5	3.5

3. Prince Albert: (1982) 25 conventions; average delegate stay in Prince Albert: 3.5 days.

Note: A convention is defined as a meeting whose attendees occupy 50 or more hotel rooms and stay more than one night.

Source: Deloitte Haskins & Sells Associates field Interviews with convention bureau officials.

Table 23:

Pass-Through Bus Tour Survey

I. TOUR DEPARTURES

ORIGIN OF TOUR	1977	1978	1979	1980	1982	1983*
United States	58	91	83	113	129	178
Canada	75	174	251	280	297	414
Total	133	265	334	393	426	592
Percentage change		99.3	26.1	17.7	8.4	38.9

*projected data
No survey in 1981.

The average length of stay in Saskatchewan during 1982 was 1.4 nights with the most frequent length of stay being one night per departure. In 1980, the average length of stay was 1.3 nights. Of the tour operators surveyed whose responses were usable, 22% indicated that it would be possible to extend their stay in Saskatchewan.

II. TOUR NIGHTS BY CITY - 1982

CITY	NUMBER OF TOUR NIGHTS	
	NIGHTS	PERCENT
Regina	318	53.3
Saskatoon	110	18.4
Moose Jaw	37	6.2
Swift Current	98	16.4
Yorkton	29	4.9
Prince Albert	1	0.2
Estevan	2	0.3
Waskesiu	2	0.3
Total	597	100.0

III. ECONOMIC IMPACT - 1982

The economic impact of "pass-through" bus tour activity was $987,640. This is based on an average per person expenditure of $46 per night comprised of $20 for accommodations; $11 for meals; $15 for entertainment, souvenirs and miscellaneous; and an average bus load factor of 36 people.

SOURCE: Saskatchewan Department of Tourism and Small Business

The present cottage population at Candle Lake provides two special market opportunities for a resort at Candle Lake: use of the resort's facilities by cottagers, particularly food service, and for banquets, weddings, and holiday season parties; and demand for overnight accommodations by visiting friends and relatives of cottagers. The increased winter use of cottages, and the increased permanent population of the Resort Village, suggest that these opportunities could be exploited on a year-round basis. Residents of Prince Albert and the Rural Municipality of Paddockwood would also be potential markets for the restaurant and for special functions, although the small area population and the distance between Prince Albert and Candle Lake both suggest that these special markets are likely to be fairly small.

We have concluded from our review of the cottage market that cottage development will continue steadily at Candle Lake, but at a slower rate than during the 1970's. Tables 24, 25 and 26 summarize our findings on the cottage market for Candle Lake, its surrounding area, and other cottage areas in Saskatchewan. Table 25 shows that:

1. 10% of Candle Lake cottagers consider Candle Lake home;
2. 34% are from Prince Albert; and
3. 29% reside in Saskatoon.

Table 24:

Highlights of Findings on the Saskatchewan and Candle Lake Cottage Market:

1. More than 7,100 vacant cottage lots have been identified in Saskatchewan, of which:
   - approximately 1,150 are in major competitive locations to Candle Lake
   - approximately 2,500 are in medium competitive locations
   - approximately 700 are in minor competitive locations
   - approximately 460 approved vacant lots are at Candle Lake

2. The rate of construction of cottages in Saskatchewan has flattened out since 1980, and has historically fluctuated with the strength of the economy.

3. Present cottage lot land values are between $100 and $120 per front foot (or $8,000 to $9,000) for backshore lots, and lakefront lots, still in strong demand, sell for $20,000 to $30,000.

4. Government leases/sales of lots on Crown land cause important fluctuations in the market for available vacant lots.

5. Major cottage developments under consideration, which would have a significant impact on Candle Lake, include proposals at Blackstrap Lake (75 lots), Tobin Lake (200), Lake Diefenbaker (60), Smoothstone Lake (100), Chitek Lake (100), Christopher Lake (50), and McPhee Lake (60).

6. Successful cottage developments in recent years have:
   - phased their supply of lots
   - provided lakeshore lots and those with proximity/easy access to the Lake
   - placed effective controls on development

7. Candle Lake cottages/lots sell steadily. The Glendale cottage subdivision's status is as follows:

   Phase 1: sold
   Phase 2: half-sold
   Phase 3: not yet subdivided for sale

   In addition, at least 30 cottages are estimated to have changed hands between 1980 and 1983.

Source: Deloitte Haskins & Sells Associates field interviews and analysis of data from Saskatchewan Parks & Renewable Resources & Parks Canada

Table 25:

Origin of Cottagers, Candle Lake and Surrounding Area, 1983

	Total Number of Cottagers	Cottage is Home	Saskatoon	Regina	Prince Albert	Other Sask.	Other
Candle Lake:	1,109	10%	29%	1%	34%	22%	4%
Christopher Lake:	450	25	21	1	38	10	5
Emma Lake:	1,287	6	39	2	39	9	5
Anglin Lake:	138	7	33	2	27	28	3

Source: Saskatchewan Parks & Renewable Resources

Table 26:

Inventory of Cottages and Cottage Lots, Candle Lake and Other Lakes*

	Cottages			Vacant Lots		
	Leased and Owned	Private	Total	Approved	Not Yet Approved	Total
Candle Lake:	64	880	944	460	138	598
Anglin Lake:	0	148	148	0	0	0
Big Shell Lake:	0	300	300	72	77	149
Blackstrap Lake:	0	233	233	77	0	77
Chitek Lake:	144	150	294	53	70	123
Christopher Lake:	0	340	340	34	50	84
Clearwater Lake:	300	0	300	5	0	5
Delaronde Lake:	9	33	42	379	0	379
Diefenbaker Lake:	255	116	371	179	0	179
East Trout Lake:	0	54	54	0	0	0
Emma Lake:	1	1,386	1,387	180	0	180
Greenwater Lake:	197	0	197	0	41	41
Iroquois Lake:	0	68	68	107	4	111
Lake Lenore:	0	52	52	40	0	40
Little Manitou Lake:	422	1	423	400	700+	1,100+
McPhee Lake:	8	61	69	9	60	69
Marean Lake:	320	0	320	70	0	70
Martin's Lake:	50	9	59	10	67	77
Pike Lake:	138	25	163	0	0	0
Redberry Lake:	42	6	48	23	0	23
St. Brieux Lake:	0	52	52	40	0	40
Tobin Lake:	0	107	107	25	217	242
Wakaw Lake:	70	727	797	271	54	325
Waskesiu Lake:	324	0	324	0	0	0
Weyakwin Lake:	207	1	208	2	0	2
Whiteswan Lake:	103	76	179	0	0	0

*lake areas considered highly competitive to Candle Lake for attracting cottagers

Source: Saskatchewan Parks & Renewable Resources

We submit that a varied and well-promoted program of activites and events is an essential component of a successful year-round resort, especially in its early years. We have prepared an initial list of special events and activities which would complement existing recreation patterns at Candle Lake (see Table 27) and in its market area. Events and activities centered at the resort would not only attract visitors to the resort (if only to see it), but they can provide a significant revenue base in off-season periods. Some events and activities could be financed, organized and promoted jointly by all commercial operators at Candle Lake.

Table 27:

Candle Lake Area: Special Event/Activity Possibilities

1. Country music festival
   Fiddlers' contest
   Dances — Spring or fall (Friday - Saturday)
2. Northern Saskatchewan handicraft festival — Winter (Saturday - Sunday)
3. Cross-country ski race — December (Saturday)
4. Canoe race on Candle Lake — June or July (Saturday)
5. Promote area high school reunions for specific class years — Long weekends from September to June
6. Ice fishin derbies — Winter
7. Snowmobile races
   Snow shoe races
   Dog sled races — Winter
8. Broom Ball Tournaments — Winter
9. Winter Carnival
10. Bathtub races — Early summer
11. Bus tours (through Saskatchewan Transportation Company and other carriers):
    a) Senior citizens' day or overnight tours (shoulder season)
    b) Stopovers at Candle Lake as part of trip along a section of the Hanson Lake Road
    c) Destination (2 to 3 nights) for long-distance tours
12. Special meals/dances for local cottagers:
    a) weekly fish fries and dances
    b) special dishes: Ukrainian, Mexican, etc.

VI. CONCLUSIONS/RECOMMENDATIONS

Studies of the resource base around Candle Lake conclude that, subject to continued fishing restrictions and appropriate development controls, Candle Lake has significant capacity for increased year-round recreation use, particularly along its western and eastern shores. The lake offers several undeveloped, high-quality areas with beach fronts for lakeshore development. The lake's carrying capacity for boating, swimming and beach activities is well above present use levels.

Candle Lake has traditionally maintained strong market ties with Prince Albert and Saskatoon, moderate ties with the Nipawin/Carrot River area and weak attraction for residents of the Melfort/Tisdale area. A successful resort development at Candle Lake will require:

1. continued strong market ties with the Prince Albert - Saskatoon axis;

2. an increased attraction of tourists from centres to the east and south;

3. increased use by vacationers from southern Saskatchewan, especially Regina;

4. diversion of travellers entering or leaving the Hanson Lake Road; and

5. the attraction of a small, but consistent, percentage of the non-resident tourist traffic proceeding in an east-west direction through the Woodland Park Region.

We consider that the most promising markets are the Prince Albert - Saskatoon axis and the travellers on the Hanson Lake Road. Previous studies have identified the potential for increased diversion of tourists toward Candle Lake and the Hanson Lake Road because of heavy use of the Christopher/Emma/Anglin/Waskesiu corridor, and development restrictions in Prince Albert National Park.

In terms of visitor statistics, Candle Lake's Government-managed recreation sites/campgrounds were the most popular in Saskatchewan in 1978, and Candle Lake was second only to Moose Mountain Provincial Park in total visits to all recreation sites and provincial parks. Between 1974 and 1978, visits to these sites increased by 131% (compared to 22% for all Provincial sites), and campground use increased by 135% during the same period. The rate of growth in use of these facilities has slowed considerably since then, but Candle Lake now enjoys a solid base of cottage and visitor demand upon which to develop further. For example, visitor statistics show not only the popularity of Candle Lake

as a destination, but also that campers do not just pass through after a brief visit - they tend to stay longer.

We recommend that two locations on Candle Lake be considered for location of a year-round resort:

1. on the east shore, north of the Minowukaw Beach area; and

2. in the Torch Lake area, in proximity to the Snow Castle.

Both locations have advantages with respect to proximity to the lake and winter trails, while providing detachment from the busiest and more densely settled areas around the lake. On balance, we would recommend the east shore.

We recommend that a potential resort developer consider construction of a staged year-round resort development:

1. the first stage would include 20 to 25 large rooms for double or family occupancy in a lodge-type structure, with an indoor swimming pool, meeting rooms, restaurant/lounge, and outdoor tennis courts; and

2. the second stage, for construction after the fifth year of operation, would include 5 to 10 individual cabins, based upon expected and proven demand; the cabins, which would accommodate 6 to 8 persons, would be close to the lodge, but located so as to provide privacy.

We recommend a lodge-type complex with the above-mentioned facilities as the best type of structure to benefit from the demonstrated and potential market for a year-round facility at Candle Lake, especially winter weekend visitors, small meeting groups, and those seeking available food and beverage services.

Given the summer and winter (weekend) occupancy rates achieved by facilities at Waskesiu, Cypress Hills, Duck Mountain and Greenwater, with virtually no marketing effort, a well-promoted lodge at Candle Lake could achieve occupancy rates of 70 to 80% from June through August, and up to 50% during the rest of the year.

We submit that a strong and sustained marketing program, aimed at Prince Albert and Saskatoon, the small meeting market identified earlier, and non-resident travellers passing through the region, should precede the opening of the resort by at least one year.

The designation of Candle Lake as a Provincial park has been discussed in the past, and could occur at some time in the future. The impact of this occurrence on existing or planned tourism facilities at Candle Lake could be extremely positive, given the resulting public expenditures and the special status which parks enjoy.

Proposed resort developments at McPhee, Christopher, Tobin and Good Spirit Lakes would not have a negative impact on the feasibility of a year-round resort at Candle Lake; their impact could prove, on balance, positive, in that they would enhance the profile of the region as a tourist destination, assuming that an over-saturation of the market did not occur. Candle Lake's location is sufficiently distant from the tourist area north of Prince Albert that its development as a tourist destination will proceed fairly independently of that area.